

IN THE
INDIANA TAX COURT

NO.49T10-9309-TA-70

TOWN OF ST. JOHN, et al.,)
)
Petitioners,)
)
v.)
)
DEPARTMENT OF LOCAL)
GOVERNMENT FINANCE as successor)
to the STATE BOARD OF TAX)
COMMISSIONERS,)
)
Respondent.)

MONTHLY REPORT 36

As successor to the State Board of Tax Commissioners, this is monthly report thirty-six from the Department of Local Government Finance under the Court's order dated May 31, 2000, 729 N.E.2d 242,247. The report explains the Department's activities during May 2003 to implement the Court's order.

Lake County Reassessment

"Lake County Reassessment Project on Target for October 1 Deadline" was the message offered by the Department of Local Government Finance to county officials and guests. [See attached press release] The Department along with CLT gave an overview of the project to more than 178 people, in the Lake County Government Center May 8, 2003. The Department and CLT demonstrated the progress in the reassessment and also

the extensive process used in each township to gather and input data and assure quality control.

Residential, commercial and industrial data collection and data entry are now complete. The individual status of each township can be viewed in attached *executive summary*.

The project manager continues to meet and confer on a weekly basis to make sure the reassessment is on target

Department officials have also started negotiating a contract with CLT for the newly enacted Lake County appeal provisions.

Software Certification

The Department of Local Government Finance will not approve final budgets, rates and levies for counties that have not provided final certification of software programs to the Department. Sixty-eight (68) counties have certified their software packages are in compliance with the 2002 reassessment manual, rules and guidelines, including all three counties that have in-house systems. Two additional companies are still seeking state certification as well, Appraisal Research and CLT.

Provisional Billing

The Department is working on an emergency rule that will govern the provisional billing statements as addressed in HEA 1219. The rule requires the county treasurer and auditor to file a petition seeking approval to issue provisional statements with the Department of Local Government Finance. The rule also allows for a county to seek permission to bill the taxpayers at 50% of last year's total bill. The bill allows for a

county to seek permission to bill at a higher percentage. It also permits counties to bill new construction of improvements placed on the real property after March 1, 2001, and before March 2, 2002 upon certain conditions. The rule will also provide a catch-all provision to assist counties in dealing with obvious errors, such as when a bill is sent to the wrong owner. So far, ten counties are taking steps to issue provisional bills: Allen, Brown, Clark, Grant, Kosciusko, Lake, Madison, Porter, St. Joseph and Wayne.

Budgets

The Department has certified six county budgets for assessment year 2002: Vanderburgh, Monroe, Wells, Hamilton, Howard and Jennings have been certified. Marion County has begun sending out Form 11's and the Department expects to certify their budgets the first week of June.

County Ratio Studies

The Department has approved twenty-six (26) county ratio studies to date: Adams. Ballholomew. Delaware. Dubois. Elkhart. Floyd. Fulton. Hamilton. Hancock. Howard, Jennings, Johnson, Marion, Miami, Monroe, Montgomery, Pulaski, Putnam, Ripley. Scott. Switzerland. Tippecanoe. Vanderburgh, Wabash. Warren and Wells. This approval allows the county assessor to proceed forward with supplying the county auditor certified values.

Statewide Equalization Issues

The Department continues its efforts in-house and with outside experts, including the Indiana Fiscal Policy Institute, to perform a statewide property tax reassessment. equalization project, together spearheaded by the Indiana Fiscal Policy Institute. The

Department is also working with the Legislative Services Administration to gather data from the counties that have completed the reassessment in order that the effects of the reassessment can be analyzed. The project is still seeking funding from local business in addition to the amount the state will contribute. The State as well as state certified software vendors have been providing input to Crowe Chizek, as assessment software experts, and the IFPI regarding updating the critical field list. This study will not only help to provide an independent look at the job the counties did but also will provide information and recommendations on how to go forward.

Tax Bills

The Department has been trying to assist the local townships with getting the word out to taxpayers that the Form 11 is not a tax bill, and to research what that assessed valuation is versus filing an immediate appeal. The Department has also been busy explaining the reasons why the majority of Indiana taxpayers did not receive a bill as of May 10, 2003 for assessment year 2002, and provide a heads up to what the taxpayer may experience. Some counties will merely choose to send out the May billing later. Other counties will take advantage of the provisional billing offered by the Indiana General Assembly, and some counties have been asking that taxpayers send a check for the amount they paid last November. Many taxing units are borrowing through the Indiana Bond Bank and other sources as they await completion of reassessment.

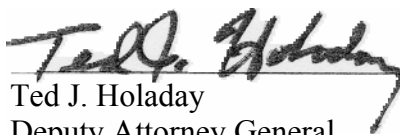
Auditor's Conference

The Department of Local Government Finance, at the request of the Indiana State Board of Accounts participated in the County Auditors Spring Conference. The Director

of the Budget Division, the general counsel and the Commissioner spoke on the topics of the general reassessment as well as offered up-dates on new legislation affecting how to proceed forward with the 2003 assessment year.

Respectfully submitted,

Steve Carter
Indiana Attorney General
Attorney # 4150-64



Ted J. Holaday
Deputy Attorney General
Attorney # 7736-49